

Message Text

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ORIGIN ARA-20

INFO OCT-01 ADP-00 CIAE-00 COME-00 DODE-00 EB-11 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 TRSE-00 L-03 /052 R

DRAFTED BY ARA/EP/E:DKGUTHRIE:EMM

7/25/73 EXT. 28396

APPROVED BY ARA/EP:SMPRINGLE

EB/TT/MA:JPSTEINMETZ

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R 252317Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY QUITO

AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: ETRN, EFIN, EC

SUBJECT: TAXATION OF U.S. SHIPPING COMPANIES

REF: QUITO A-279, DECEMBER 10, 1971

1. DEPARTMENT HAS RECEIVED INQUIRY FROM JOHN PIRONTI, J.O.C. OIL COMPANY, ABOUT TAX LEVIED BY GOE AGAINST J.O.C. CHARTERED TANKER KANARIS, IN CONNECTION WITH CALL AT LA LIBERTAD TO RECEIVE CARGO OF PETROLEUM PURCHASED BY J.O.C. FROM ANGLO-ECUADOREAN. AFTER KANARIS SAILED FROM LA LIBERTAD ON JUNE 5, GOE AUTHORITIES ASSESSED 6,000 DOLS TAX, DESCRIBED AS PART INCOME TAX AND PART FREIGHT TAX. BILL WAS PASSED TO J.O.C. FOR PAYMENT BY CUDORINASE, SHIP-BROKING FIRM THROUGH WHICH J.O.C. CHARTERED KANARIS, WHICH IS OWNED BY A U.S. FIRM (ASHLAND SHIPPING CORPORATION) BUT IS UNDER GREEK REGISTRY.

2. J.O.C. CLAIMS THIS IS FIRST TIME COMPANY EVER REQUESTED TO PAY THIS TAX IN CONNECTION WITH SHIPPING OPERATIONS TO ECUADOREAN PORTS AND HAS ASKED FOR INFORMATION REGARDING NATURE OF TAX. J.O.C. HAS ALSO INQUIRED WHETHER U.S.G.

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REGARDS IMPOSITION OF THIS TAX AS BASIS FOR LEVYING

RECIPROCAL TAXES AGAINST ECUADOREAN CARRIERS OPERATING IN
U.S.

3. IT OCCURS TO US THAT THIS INCIDENT MAY BE RELATED TO
LONGSTANDING PROBLEM DESCRIBED REFAIR CONCERNING ASSESSMENT
OF ECUADOREAN INCOME TAXES AGAINST U.S. AIRLINE AND SHIPPING
COMPANIES.

4. WOULD APPRECIATE REPORT FROM EMBASSY RE CURRENT GOE
PRACTICE IN LEVYING INCOME TAX AGAINST SHIPPING COMPANIES
AS WELL AS ANY INFORMATION ADDRESSEE POSTS CAN TURN UP
REGARDING TAX LEVIED AGAINST KANARIS. ROGERS

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Message Attributes

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Disposition Approved on Date:
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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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